

106<sup>TH</sup> CONGRESS  
2D SESSION **S. 2307**

To amend the Communications Act of 1934 to encourage broadband deployment to rural America and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MARCH 28 2000

Mr. DORGAN (for himself, Mr. BAUCUS, Mr. DASCHLE, Mr. HARKIN and Mr. Johnson)  
introduced the following bill; which was read twice and referred to the Committee on  
Commerce, Science, and Transportation.

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## A BILL

To amend the Communications Act of 1934 to encourage broadband deployment to rural America, and for other purposes.

1 *Be it enacted by the Senate and House of Representatives*

2 *of the United States of America in Congress assembled,*

### 3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Rural Broadband En-

5 hancement Act".

1 **SEC. 2. FEDERAL COMMUNICATIONS COMMISSION TO PRO-**  
2 **VIDE SUPPORT FROM UNIVERSAL SERVICE**  
3 **FUND.**

4 Section 254(e) of the Communications Act of 1934

5 (47 U.S.C. 254(e)) -is amended-

6 (1) by redesignating so much of the text of such  
7 subsection as follows "(e) UNIVERSAL SERVICE SUP  
8 PORT.- as paragraph (1);

9 (2) by inserting before "After" the following  
10 heading: "(1) IN GENERAL.- and

11 (3) by adding at the end the following:

12 "(2) RURAL AREA BROADBAND SUPPORT.-In

13 addition to any other support provided under para

14 graph (1), the Commission shall, within 90 days

15 after the date of enactment of the Rural Broadband

16 Enhancement Act, initiate a proceeding to provide

17 Federal universal service support for the deployment

18 of broadband service (as defined in section 156(e)(1)

19 of the National Telecommunications and Informa

20 tion Administration Organization Act) to eligible

21 rural communities (as defined in section 156(e)(2)

22 of that Act). The proceeding shall be completed

23 within 240 days. Federal universal service suport

24 provided as a result of that proceeding shall be de-

- 25      terminated without cost averaging of any above-aver-
- 26      age cost areas with any lower cost areas, such as

1 would occur in statewide or study averaging, and  
2 may be used for the deployment of  
3 "(A) loop treatments and digital subscriber  
4 line access multiplexers;  
5 "(B) cable modems;  
6 "(C) wireless technology; and  
7 "(D) satellite technology."

8 **SEC. 3. RURAL UTILITIES SERVICE LOAN PROGRAM.**

9 Part C of title I of the National Telecommunications  
10 and Information Administration Organization Act (47  
11 U.S.C. 901 et seq.) is amended by adding at the end there  
12 of the following:

13 **"SEC. 156. BROADBAND TELECOMMUNICATIONS SERVICES.**

14 "(a) IN GENERAL. -- The Rural Utilities Service of  
15 the Department of Agriculture, after consultation with the  
16 NM, shall make loans or other extensions of credit to  
17 companies certified as eligible telecommunications carriers  
18 providers, or that accept the obligations of an eligible tele-  
19 communications carrier, in accordance with the provisions  
20 of this section to finance the deployment of broadband  
21 telecommunications services to eligible rural communities.

22 "(b) ELIGIBILITY REQUIREMENTS.--To be eligible  
23 for a loan or other extension of credit under this section,  
24 a project shall

1       "(2) be for the purpose of making access to  
2       broadband service available to an eligible rural com  
3       munity where broadband service is not otherwise  
4       generally available throughout that community; and  
5       "(3) be subject to the standards for service and  
6       area wide coverage applicable to other projects ad  
7       ministered by the Rural Utilities Service.

8       "(c) TERMS AND CONDITIONS.-Loans made under  
9 this section—

10               "(1) shall be made available in accordance with  
11       the requirements of the Federal Credit Reform Act  
12       of 1990 (2 U.S.C. 661);

13               "(2) shall bear interest at an annual rate of not  
14       more than 2 percent per annum; and

15               "(3) shall be made for the longer of

16                       "(A) a term of 30 years; or

17                       "(B) the useful life of the assets con-  
18       structed, reconstructed, or acquired.

19       "(d) LIMITATIONS.-

20               "(1) TECHNOLOGY NEUTRALITY. -- In making  
21       loans under this section, the Rural Utilities Service  
22       may not take into consideration the technology pro  
23       posed to be employed.

24               "(2) SECURITY INTEREST.--The Rural Utilities  
25       Service may take a security interest in assets or rev-

1        enue streams, in connection with a loan or other ex  
2        tension of credit made under this section, of not  
3        more than the amount sufficient to cover the assets  
4        financed by that loan or extension of credit.

5        "(e) DEFINITIONS.-In this section:

6                " (1) BROADBAND SERVICE .-The term  
7        'broadband service' includes, without regard to any  
8        particular transmission medium or technology, high  
9        speed, switched, broadband telecommunications ca-  
10       pable of delivering not less than 1.0 megabits of  
11       data per second to the user and 0.5 megabits of  
12       data per second from the user that enables users to  
13       originate and receive high-quality voice, data, graph  
14       ics, and video telecommunications. The Commission  
15       shall, from time-to-time as circumstances warrant,  
16       revise the rate-of-data-transmission criteria stated in  
17       the preceding sentence upward to reflect techno  
18       logical advances, and the criteria, as so revised, shall  
19       be applied under the preceding sentence in lieu of  
20       the rate-of-data-transmission criteria stated or pre  
21       viously revised by the Commission under this sen  
22       tence.

23                "(2) ELIGIBLE RURAL COMMUNITY. The term  
24        'eligible rural community' means any incorporated or  
25        unincorporated place that-

1                   "(A) has not more than 20,000 inhab  
2           itants, based on the most recent available popu  
3           lation statistics of the Bureau of the Census;  
4           and  
5           "(B) is not located in an area designated  
6           as a Metropolitan Area by the Office of Man  
7           agement, and Budget."

8 **SEC. 4. FUNDING**

9   There are authorized to be appropriated to the Sec  
10   retary of Agriculture to carry out the provisions of section  
11   156 of the National Telecommunications and Information  
12   Administration Organization Act \$3,000,000,000 for- fis- cal years  
13   2001, 2002, 20037 2004, through 2005, such  
14   amount to remain available until expended.